UNITED
NATIONS

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Economic and Social Council

Distr.
LIMITED

E/CN.16/1993/L.3/Add.5
21 April 1993

ORIGINAL: ENGLISH

COMMISSION ON SCIENCE AND TECHNOLOGY
FOR DEVELOPMENT
First session
12-23 April 1993
Agenda item 12

ADOPTION OF THE REPORT OF THE COMMISSION ON ITS FIRST SESSION

Draft report

Addendum

Rapporteur: Mr. Asrat BULBULA (Ethiopia)

Chapter ____

FINANCING SCIENCE AND TECHNOLOGY FOR DEVELOPMENT, INCLUDING ACTIVITIES OF THE UNITED NATIONS FUND FOR SCIENCE AND TECHNOLOGY FOR DEVELOPMENT

1. The Commission considered item 7 of its agenda at its 11th meeting, on 19 April 1993.

2. The Chief of the Science and Technology Branch introduced the report of the Secretary-General on the organization of a coalition of resources to finance science and technology for development (E/CN.16/1993/10) and referred to the efforts of the international community to establish a framework and structure in the United Nations to finance the scientific and technological needs of developing countries, noting in particular the agreement reached at the United Nations Conference on Science and Technology for Development in 1979 to establish a financing system for science and technology for development. The General Assembly at its forty-sixth session had requested the Commission to consider the report of the Secretary-General on the subject and to submit to the General Assembly at its forty-eighth session concrete proposals for organizing a more effective coalition of resources. While considering the subject, the Commission took into account the outcome of the United Nations Conference on Environment and Development, including Agenda 21, and especially the issue of environmentally sound technologies and capacity-building.

3. In reply to a question, the Special Coordinator for relations with Financial Institutions spoke on the approach contained in the Secretary-General's report on the organization of a coalition of resources to finance scientific and technological activities. The new approach would be demand-oriented and would emphasize quantitative additionality. The approach followed in the pilot programme on endogenous capacity-building also constituted an element of a new approach that was likely to be supported by the donor community. That was also in consonance with the recommendations contained in Agenda 21 concerning environmentally sound technologies and capacity-building. The coalition approach should not depend exclusively on sporadic and ad hoc means of interaction; it should be institutionalized. Furthermore, developing countries should be fully and actively involved in designing the coalition and in its functioning. He saw advantages in the second alternative with respect to a coalition modelled after the Consultative Group for International Agricultural Research but said that it should also incorporate some elements of the first alternative as indicated in the report.

4. The high quality of the Secretary-General's report, its reasoning and realism were widely appreciated. The subject of financing science and technology was one of the most important and complex items on the agenda of the Commission. As pointed out in the report of the Secretary-General, any new approach adopted should increase the confidence of donors and provide an incentive for donors to contribute and participate and should also provide for meaningful participation by developing countries. It was mentioned that financing science and technology was not only a technical matter; it also involved an intellectual understanding of how the science and technology system worked and what needed to be done to make it more productive.

5. A coalition of resources was necessary since no single country or agency could finance science and technology alone, and risks must be shared. The dilemma facing the international community and the Commission was that global funds were limited while the development needs of developing countries were increasing, a situation made worse by the fragmentation of the efforts and approaches in the United Nations system.

6. Reference was also made to the inequitable international order, which involved large transfers of resources from developing to developed countries and a meagre net resource in-flow into developing countries for the support of critical areas such as science and technology. In order to have sustainable economic development, science had to have its proper place in culture, and economic strategies should be formulated along the lines of technology-based development.

7. It was emphasized that there was a need to define substantive scope more sharply within the programme of endogenous capacity-building, including such questions as research capacity, technology assessment and environmentally sound technologies. At the same time, endogenous capacity-building priorities differed from country to country and that effort should not lead to a foreclosing of a country's options. In addition, emphasis was also placed on the imperative to consult closely with the donor community. The political support provided by the Economic and Social Council and the General Assembly might provide the necessary impetus and incentive for such donor organizations as the World Bank and the regional development banks to participate fully in

designing the structure and framework of the proposed international association. An interregional consultative meeting of development financing institutions might be organized in early 1994 to consider the issue in an integrated and substantive manner. Substantive preparatory work should precede such a meeting.

8. In relation to United Nations Secretariat support for a new association, it was pointed out that such support should not be provided exclusively by the United Nations and that in certain areas it might be necessary to supplement it with technical competence from outside the United Nations. The possibility of looking for other sources for financing science and technology activities, such as the Global Environment Facility (GEF), should be considered. The idea of organizing a global conference on science and technology, with a particular focus on financing science and technology, was also mentioned.

9. The representative of the Latin American Development Bank recalled the long-standing support of his Bank for science and technology and several initiatives that it had taken in that respect, in particular the implicit coalition approach it was adopting in the Central American region. Such an approach might have a better chance of success at the national and regional levels, supplemented at the global level with a coordination mechanism.